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Latin America Report

No. 2132



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INTER-AMERICAN AFFAIRS

BRIEFS

SALVADORAN, NICARAGUAN GROUPS IN CUBA--A great juvenile enthusiasm marked the evaluation of student emulation at the University of Havana held at the Lazaro Pena Theater. The event was attended by Fernando Vecino Alegret, member of the Party Central Committee and Minister of Higher Education. Also present were a delegation of the Nicaraguan Sandinist Liberation Front headed by Comdr Omar Cabezas and one from El Salvador. Cabezas told the students that participation in this type of event was very significant for him because it helped him envision the future of Nicaraguan students. (Havana Domestic Service in Spanish 1000 GMT 25 Mar 80 FL]

CSO: 3010

ARGENTINA

DEGREE OF ROLE IN WORLD AGRICULTURAL TRADE EXAMINED

Buenos Aires LA NACION in Spanish 9 Feb 80 p 14

[Text] A report from the Secretariat of Commerce discloses Argentina's relative status on the international markets for products of agricultural and livestock origin.

During 1978, our country supplied 4.9 percent of the meat, 5.5 percent of the grain, 6.3 percent of the oil cake and meal, and 6.7 percent of the wool marketed in the world that year.

Meat

In the meat sector, Argentina exports 6.7 percent of the worldwide total of fresh beef, 3.3 percent of the fresh lamb and mutton, 17.5 percent of the horsemeat, 10.6 percent of the canned meat, 26.7 percent of the meat extracts and 11.9 percent of the preserved smoked meat.

Grain

It is estimated that Argentina's share of the international wheat market is about 5 percent, and that our country contributes approximately 8 percent on the corn market. Argentine oats sales, in turn, account for 18.5 percent of the worldwide total; and the Argentine share of the sorghum and soybean markets is considerable.

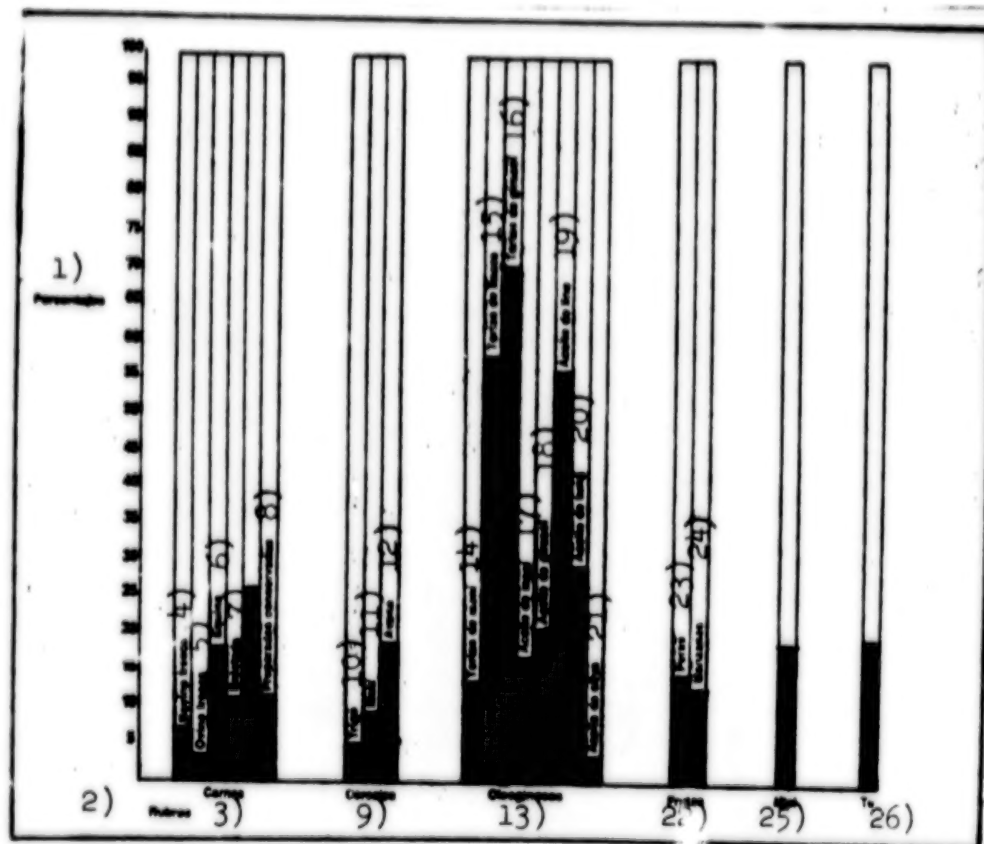
Fruit and Molasses

On the international market we sell 15 percent of the pears and 11 percent of the apples which are sold. Furthermore, our share of the natural molasses market amounts to 18.8 percent, and on the tea market it is 19 percent.

Oil Products

The Argentine presence on the world market for oil products is significant, because it supplies 13.1 percent of the peanut cake; 58.2 percent of the

flaxseed cake; 72.2 percent of the sunflower cake; 16.6 percent of the peanut oil; 22 percent of the sunflower oil; 56.9 percent of the flaxseed oil; 30 percent of the tung oil; and 3.3 percent of the olive oil sold internationally.



The graph shows Argentina's relative share of the international agricultural and livestock markets.

Key:

- | | | |
|--------------------------|--------------------|--------------|
| 1. Percentages | 12. Oats | 23. Pears |
| 2. Items | 13. Oil products | 24. Apples |
| 3. Meat | 14. Peanut cake | 25. Molasses |
| 4. Fresh beef | 15. Flaxseed cake | 26. Tea |
| 5. Fresh lamb and mutton | 16. Sunflower cake | |
| 6. Horsemeat | 17. Peanut oil | |
| 7. Canned meat | 18. Sunflower oil | |
| 8. Preserved smoked meat | 19. Flaxseed oil | |
| 9. Grain | 20. Tung oil | |
| 10. Wheat | 21. Olive oil | |
| 11. Corn | 22. Fruit | |

2909

CSO: 3010

DROUGHT DAMAGE REPORTED IN CORDOBA, SANTA FE PROVINCES

Buenos Aires LA NACION in Spanish 9 Feb 80 p 10

[Text] Cordoba--The rainfall which occurred nearly everywhere in the province between 2 and 4 February has caused a change (although not an essential one) in the situation of the areas hit by drought. The lack or shortage of precipitation in January, combined with high temperatures, affected the predictable output of the gross harvest crops, and reductions of from 20 to 30 percent in the optimal estimates for the harvest are anticipated. However, the situation is not general, nor the same in the entire Cordoba area, because the problems are located in the southeastern and northwestern sections of the province.

These comments were made by the province's secretary of agriculture and livestock, Dr Luis Antonio Cisneros, who was asked about the effects of the drought on agriculture in Cordoba.

Analyzing the number of millimeters recorded, Dr Cisneros pointed out that, although it was not significant, it has definitely made a mitigation in the effects of the heat possible.

The Overall Picture

According to the reports prepared by the Secretariat of Agriculture and Livestock in the province, January elapsed with very slight rainfall, which was isolated and amounted to but a few millimeters, compounded by unusual heat records set in the southeastern and northwestern parts of the province. Hence, it may be said that there is a critical situation throughout nearly all of the departments of Marcos Juarez, Union, Roque, Saenz Pena and General Roca, and in part of the departments of Juarez Celman and Rio Cuarto, in the southern and southeastern portions of the province, as well as in part of the departments of Ischillin, Cruz del Eje, Minas, Pocho and San Javier in the northwest. In the other regions, despite the fact that the rainfall was not abundant, the shortage was less severe.

The Losses

The yield from the gross harvest, especially the corn, soybeans and sunflowers (which are distributed over much of the aforementioned southeastern region) will be hurt by the water shortage, and a reduction of from 20 to 30 percent may be anticipated in the optimal estimates. Those losses are expected to be greater in the late planted crops, which are, after all, those which have suffered most from the high temperatures and the shortage of rain.

In view of th's, Dr Cisneros notes: "The rainfall during the past few days in the areas which had been suffering from drought will not suffice to warrant our claiming that the situation has been reversed;" although he qualifies his remark by commenting that it would not be proper to depict a discouraging situation in the entire province either.

In Santa Fe

Santa Fe--This week's rainfall covered the province's 19 departments. The precipitation was widespread, but not abundant. In both San Justo and Rosario, 33 millimeters of rain fell; in San Geronimo, the total rainfall was 26 millimeters; in Castellanos, 23; in Garay, 24; in Constitucion, 23; in La Capital, 22; and in San Jiver, 20 millimeters; while that in the remaining departments ranged between 4 and 12 millimeters.

This rain benefited the grazing fields. Insofar as the gross harvest was concerned, the precipitation proved to be too late, and the seeded land suffered a loss of nearly 30 percent, because of lack of water.

The season crops (sorghum and corn) could hardly be planted owing to the lack of water at the proper time, with the exception of the department of San Justo, where the average rainfall was 32 millimeters.

The first season soybean crop suffered the effects of the drought.

In Entre Rios

Parana--With respect to the drought situation which prevails in our area, the INTA's [National Institute of Agricultural and Livestock Technology] Parana Regional Agricultural and Livestock Experimental Station reports that, from 13 December 1979 to 3 February of this year, the rainfall in its area of jurisdiction totaled only 17.9 millimeters. It should be recalled that this is a period wherein a high degree of evapo-transpiration occurs, owing to the high temperatures; and we should explain that this evapo-transpiration is defined as the transpiration in the plant combined with the evaporation in the soil.

Throughout the entire month of January, the total rainfall was 15.7 millimeters, whereas the normal amount for that month is 125.8 millimeters; something which clearly attests to the drought conditions that exist.

A similar situation occurred during 1972, when the rainfall between 22 December and 31 January of the next year totaled only 13.4 millimeters.

It should be noted that the current drought period follows one marked by excessive water recorded during October, November and part of December; something which was commented on at the time.

On the basis of a partial evaluation, the gross harvest crops planted during the early season in the INTA's Parana area appear to have been the ones least affected.

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CSO: 3010

SORGHUM, CORN PLANTINGS SUFFER FROM LACK OF RAIN

Buenos Aires LA PRENSA in Spanish 12 Feb 80 Sec 2 p 4

[Text] Bahia Planca--According to statements contained in the Roca Railroad's weekly report, the sorghum, corn and sunflower crops show obvious signs of deterioration which are jeopardizing the harvest in extensive areas, while the plowing and planting activity is at a standstill, owing to the slight rainfall, high temperatures and strong winds that prevail throughout the entire area.

Moreover, the grazing fields, both the natural and prepared ones, "although they still have available pastures for feeding the cattle, are showing a decline in their indexes of receptivity because of the obvious lack of a considerable number of millimeters of rainfall."

The report states that the weather situation is still unfavorable throughout the farming area under its jurisdiction, and that the low indexes on soil moisture have been reduced further still, "something which, at this stage of the growing process, will jeopardize the harvests in extensive areas, if the adverse weather conditions persist."

With regard to the past 7 days, the report adds: "At the beginning of the week, there was some isolated rainfall in small sections, but the temperatures are still high, and the strong winds from various directions continued." Furthermore, "the plowing and planting work is at a standstill," except in the areas that benefited from that rain early in the week.

Finally, the report notes: "The status of the fattening of the various species of livestock in the area continues to be good; and, as for the state of their health, it should be noted that no changes have occurred, and it may be considered normal."

2909

CSO: 3010

WHEAT HARVEST RESULTS FOR 1979 BELOW PREDICTED VOLUME

Buenos Aires LA PRENSA in Spanish 8 Feb 80 p 4

[Text] Owing to the presence of adverse weather conditions the Argentine wheat harvest will reportedly total a volume of approximately 7.5 million tons, a figure lower than that in the preliminary estimates made by the Secretariat of Agriculture and Livestock (7.8 million tons).

According to a study by the Argentine Cattlemen's Bank, this situation has created favorable expectations regarding the status of prices, something which has apparently prompted the grudging supply from many producers.

The report, which covers local and international agricultural activity during the period from November to December, indicates that the anticipation of further hikes in oil prices on the one hand, and the Iranian problem on the other, had an effect during most of the 2-month interval on international grain markets, causing an overall upward trend in prices.

Moreover, it adds, the initial estimates on the next corn harvest (because of the favorable weather conditions during its flowering period) ascribe a high yield to this forage crop, which would offset the smaller areas planted in typically corn-growing sections, owing to the substitution of corn with soybeans.

Sorghum Harvest

On the other hand, the estimates on the next sorghum harvest indicate a continuation of the downward trend in production, resulting from its low price in relation to weight and volume, a situation which makes handling it more expensive.

As for soybean production, the initial estimates (based on the considerable increase in the planted area) warrant anticipation of a continuation in the constant progress of this oleaginous product.

In the realm of prices, however, the expectations are not so favorable, in view of the over-supply that exists on international markets as a result of an abundant harvest.

With regard to Argentine exports of grain during the 2-month period under consideration, a declining trend was noted, owing to seasonal factors which were perhaps somewhat increased by a certain amount of delay in the gathering of the fine harvest.

The seasonal surpluses and the deterioration in the purchasing power related to the export demand (affected by an inadequate exchange rate and increases in internal costs) caused a decline in livestock prices, despite the period of stock replenishment in which the cattle-raising cycle was engaged.

Meat exports during the 2-month period reflected a downward tendency, attributable in part to an inadequate exchange rate, exacerbated by a decline in international prices.

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CSO: 3010

WHEAT BOARD OFFICIAL COMMENTS ON GRAIN EXPORTS

Buenos Aires LA PRENSA in Spanish 10 Feb 80 Sec 3 p 2

[Interview with Jose Maria Gogna, head of the Buenos Aires Grain Exchange; date and place not given]

[Text] During a radio program, an interview was held with the head of the Buenos Aires Grain Exchange, Mr Jose Maria Gogna, who made several comments regarding the status of the crops, the international situation involving the marketing of grain and the export opportunities for this year.

[Question] What end effect could the drought, which is currently besetting several areas in northern Buenos Aires, nearly all of Santa Fe, La Pampa, Entre Rios and southern Cordoba, have on the results of Argentine production of grain and oilseed for the 1979-80 agricultural season, according to your forecasts?

[Answer] Major private sectors associated with the grain industry are concerned over the slight rainfall during the past 60 days in most of the areas that you have mentioned. On the basis of estimates made by these same sectors the gross harvest crops, especially corn, soybeans and graniferous sorghum, have already been undermined to a greater or lesser extent by these weather conditions. Last week, there was some isolated precipitation amounting to but a few millimeters in the Pampa region, but it would not change the overall situation of serious drought facing the crops.

[Question] In the case of corn, what is the specific situation?

[Answer] Insofar as corn is concerned, at the end of last year the most optimistic estimates cited the possibility of a large harvest, possibly amounting to about 9.5 million tons, a forecast based mainly on a good rate of output (stemming largely from the increased use of hybrid seed); because the planted areas did not differ substantially from those involved in the preceding season. At the present time, as a result of what we have mentioned, these estimates place the potential production at between 7.7 and 8 million tons, a figure which could decline further still if the current conditions persist. In this connection, the opinion obtained from the

various private concerns associated with this industry indicates that precipitation amounting to between 50 and 60 millimeters would be required in most of the producing areas to prevent the damage caused to the crops by the lack of water from entailing even greater losses. In this regard, and as you may recall, this January in large production areas there were temperatures of about 40 degrees and strong winds with a drying effect, factors which contributed to a worsening of the situation involving moisture in the soil.

[Question] Are the same obstacles besetting the "agricultural star" of recent times, soybeans?

[Answer] Soybeans have also been faced with these obstacles, although to a lesser extent than corn, since their resistance to drought conditions is greater. Nevertheless, of the 4.5 million tons originally estimated as the likely production for the 1979-80 season, current forecasts indicate a level of approximately 4 million tons. As you know, of the over 2 million hectares sown with this leguminous crop, about 40 percent are subject to what is known as first planting, which is done between August and September. Generally speaking, they have progressed favorably, because they had a high degree of initial moisture, although they subsequently began suffering the effects of the water shortage. However, the problem is far more serious in the case of the second plantings, which constitute the remaining 60 percent (approximately 1.2 million hectares). The lack of precipitation has prevented many farmers from performing the necessary planting tasks; while, in the case of those who could plant, the lack of moisture has caused losses that will be difficult to reverse. I think that, if there is not sufficient abundant and widespread precipitation during the next few days, the general situation could become worse for this crop. Insofar as graniferous sorghum is concerned, although its resistance to the lack of water is greater than that of the two aforementioned products, there are areas in which the need for precipitation is peremptory. On the basis of our calculations, we think that there may already have been major losses, which would set the potential production at levels between 4.5 and 4.8 million tons. The decline is obvious if we recall that, last December, a production close to 5.5 million tons was predicted, and that, during the 1978-79 season, a total of 6.2 million tons was attained. Nor should we forget that many producers, seeking greater income return, chose not to plant sorghum this season, selecting the wheat-soybean alternative; something which caused a reduction in the area planted with this grain in comparison with that recorded in the previous season.

Sunflowers

[Question] We need a description of sunflowers to complete the picture.

[Answer] The status of sunflowers is quite different, because the present water shortage has had very little negative effect on the crop, owing to

the advanced state of development that they show at this time of year. It is estimated that the production of this oleaginous crop will stand at between 1.7 and 1.9 million tons; and hence, if favorable weather conditions occur, it would set a record figure in the historical statistics, resulting from a larger planted area and suitably damp conditions for the crop during the planting period. As for the final production volume for the 1979-80 season (including the fine harvest and the gross harvest), it may be estimated at between 28 and 30 million tons; although the definitive figure will depend mainly on the situation related to rainfall that occurs over the next few weeks.

Export Volumes in 1980

[Question] Based upon the production figures that you have cited, what do you think the total export volume for 1980 might be?

[Answer] The aforementioned production volume would make it possible to meet the domestic consumption needs without problems, leaving a large exportable balance. I think that this balance will be slightly less than the record attained in 1979, owing mainly to the lower volume of exports of forage grains. Including cereals, oilseed and by-products, and depending on the final production figure, the exportable tonnage in 1980 could stand between 16.5 and 18 million tons. This would make it possible to maintain the major accomplishments with respect to Argentina's presence on the world markets, accrued as a result of the large volumes exported during the past 3 years.

[Question] Do you think that, under the present international conditions in the political and commercial areas, Argentina could be faced with problems in the external marketing of those exportable surpluses?

[Answer] There is no doubt that the international markets are, in general, confronting unstable situations stemming from the incidental factors which you have mentioned. To a certain extent, this runs counter to the normal flow of operations, particularly when one considers the appearance of speculative elements exceeding those normally acting on both the grain and the oilseed markets. However, if we take as a reference point the historical experience in this regard, we note that, generally speaking, our country has not had any serious problems selling its exportable surpluses on foreign markets. Argentina has a sizable number of traditional purchasers whom it has supplied with its products more or less constantly, and has thus become a reliable supplier. In addition, the growing worldwide demand for grain and oilseed has created suitable conditions to enable our exporting sector to develop without any major obstacles. In this regard, the position assumed by the present authorities in maintaining trade relations with all the nations of the world, preventing them from being hampered by factors of a political nature is gaining particular significance. This makes it possible to dispel any kind of fear regarding the possibility of our country's encountering problems in selling its exportable surpluses. Furthermore,

in view of the present circumstances, it is possible that the demand for our grain may exceed our country's current potential for supplying it.

Grain Law

[Question] In connection with the changes that have been made in the present Grain Law, what effects do you think they will have on the future shipping capacity, and will they cause a speed-up in shipments abroad?

[Answer] The changes made in the Grain Law in the latter part of 1979 provide a suitable legal framework for the progress and improvement of port storage and shipping work. The fact that these tasks have been entrusted to private industry is a major step in private control of the grain trade. There is no doubt that the response to this initiative on the part of the present authorities is now up to the private sector, which has been thereby offered conditions which afford the making of major investments that will obviously improve this area of the infrastructure. You may recall that, during the past 3 years, the state engaged in an efficient task using the existing capacity, and broke all records for shipments, avoiding the constant congestion which had upset our ports during harvest periods. However, the higher production rates and the resultant increase in exports have made it necessary to expand the present shipping capacity, by attempting to reduce further still the delays that the ships experience in our ports; all of which will result in greater efficiency, lower costs and better prices to the producer.

2909

CSO: 3010

RENOVATION OF NATION'S NAVY DETAILED

Paris DEFENSE NATIONALE in French Feb 80 pp 163-165

[Text] Argentina: Strengthening of the Fleet

As a consequence of the large orders it has just placed with several foreign shipyards, the Argentine Navy is in a position to become--within a few years--the Number One naval power in Latin America.

In September 1978 it purchased two patrol ships of the A 69 type which South Africa had ordered from the Lorient shipyard but had been constrained to renounce as a result of the embargo placed by France on arms sales to that country. These ships were christened respectively the Drummond (formerly the Good Hope) and the Guerrico (formerly the Transvaal). A third vessel of the same type (the Granville) was ordered last year from the Lorient shipyard.

The patrol ships of the A 69 type displace 1,250 tons when fully loaded. Powered by two Sest-Pielstick diesel engines totaling 8,800 HP (6,472 kw), they can attain a maximum speed of 24 knots. Their armament consists of a turret with a single 100 CA [caliber] gun, one 40 CA gun, one 20 CA gun and a triple mount of ASM [antisubmarine] torpedoes.

Also last year, the Argentine Navy signed a contract with the German firm Thyssen for the construction of six high-performance attack submarines: four of 1,750 tons and two of 1,400 tons. Construction of the first of the 1,750-ton submarines has been entrusted to the Nordseewerke of Emden; it is scheduled to go into service in 1983. Construction of the other three 1,750 ton submarines and the two 1,400-ton submarines will take place in Argentina and is scheduled to begin in 1982. The Argentine shipyards will only assemble the hulls: the components--80 percent of which will be prefabricated--will actually be constructed in Federal Germany and be transported to Argentina. These submarines will be of the diesel electric type and have a powerful armament consisting of six torpedo tubes [TLT] with a reserve of 16 torpedoes. The 1,750-ton submarines will be capable of attaining a speed of 25 knots in a few minutes (those of 1,400 tons will be slightly less swift, at 21 knots) when submerged.

Competing with foreign shipbuilders, the German shipyards last year came away with still another very sizable contract. Specifically, the Argentine Navy ordered--from the Blohm and Voss shipyards in Hamburg--four frigates of the Meko type which had been designed by that firm for export. The Meko concept is based on the theory of constructing ships that offer the possibility of effecting various combinations of systems of weapons and equipment by means of removable modules which are of standardized dimensions and outfitted with standardized connections. This concept is very similar to that of the American SEAMOD (Sea Systems Modification and Modernization by Modularity), which is utilized on the large destroyers of the Spruance type and the FFG 7 type frigates of the new construction program now under way, in order to facilitate modernization of these vessels midway in their life span--that is to say, when they have attained the age of 15 years.

The frigates of the Meko 360 H2 type ordered by Argentina will each have the following characteristics:

1. Displacement: 3,600 tons when fully loaded.
2. Propulsion: of the COGOG [expansion unknown] type, consisting of two 19,400 kilowatt Rolls Royce "Olympus" gas turbines for high speed navigation and two other gas turbines (also made by Rolls Royce, but of the 3,770 kw "Tyne" type) for cruising speeds.
3. Two variable-pitch propellers.
4. Anticipated performance:
 - a. Top speed: 30 knots for the two "Olympus" vessels.
 - b. Range: 4,800 nautical miles at 18 knots, using the cruising turbines.
5. Armament:
 - a. Missiles:
 - 1) Eight antisurface missiles of the Exocet MM 40 type (IV x 2).
 - 2) One short-range surface-to-air system of the "Aspide" type (Italian version of the NATO "Sea Sparrow").
 - b. Guns:
 - 1) One Italian 127 CA compact Oto Melara.
 - 2) Eight 40 CA (II x 4) Breda-Befors.

c. ASM armament:

- 1) Six TLT (III x 2), with torpedoes.
- 2) Two "Lynx" WG 13 helicopters.
6. Crew: approximately 200 men.

In addition to these four frigates, the contract with Blohm and Voss originally called for the assembly in Argentina (with the assistance of that firm) of two additional units. At the suggestion of the German shipyards--and without any change in the amount of the financing--the Argentine Navy canceled the construction of these two frigates in favor of the construction of six "140" type corvettes of the Meko concept. These corvettes (which will be built at the State Shipyards and Naval Factories at Rio Santiago) will have a displacement of 1,400 tons and a speed of 28 knots; their other precise specifications are not yet known to us.

In addition to these frigates and corvettes the Argentine Navy has ordered (this time from the Bazan shipyards in Spain) five patrol boats--each of approximately 500 tons and equipped with light armament--for surveillance of the 200-mile protected economic zone.

Lastly, it has ordered a second large 11,800-ton icebreaker from the Wartsila shipyards in Helsinki, Finland. This vessel is identical to the "Almirante Irizar," which was delivered last December.

Counting only those vessels of recent origin which are currently in service or nearing completion, plus those units which were ordered last year, one can anticipate that around 1985 the Argentine fleet will have been strengthened by:

1. One light aircraft carrier of 15,900 tons: the "25 de Mayo."
2. Two missile-launching 4,100-tpc [tons fully loaded] destroyers of the Sheffield type of the Royal Navy: the "Hercules" and the "Santissima Trinidad."
3. Four 3,600-tpc frigates of the Meko 360 H 2 type.
4. Six 1,400-tpc corvettes of the Meko 140 type.
5. Three patrol ships of the A 69 type: the "Drummond," "Guerrico" and "Granville."
6. Two 1,000-ton submarines of the German 209 type--the "Salta" and the "San Luis"--both of which entered into service in 1974.
7. Four 1,750-ton submarines of the Thyssen type.

8. Two 1,400-ton submarines of the Thyssen type.

Unless the Brazilian Navy makes a major effort between now and 1985 in respect to new construction, with a view to retaining its present primacy, the Argentine Navy will indisputably become the premier navy in South America.

10992

CSO: 3100

BRAZIL

TRADE PROSPECTS IN AFRICA, ROLE OF FOREIGN MINISTRY

Africa--An Attractive Market

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Feb 80 p 32

[Article by Joana Bonfim of the Belo Horizonte office, Eliezer Salles of the Brasilia office, Anibal Junior and Nelson Lemos of the Rio office, and Fatima Turci and Paulo Andreoli of the Sao Paulo office, who also coordinated the final text]

[Text] Africa--A Difficult But Promising Market

The trade exchange between Brazil and Africa increased 900 percent in a period of 9 years, and the prospects for this country are even more promising. In 1971, Brazil's trade with the African nations totaled about \$69 million U.S. as compared to \$750 million U.S., the total last year, with a positive balance of \$246.7 million U.S. for Brazil. Brazil, from an exporter of primary products and some knives and hoes, has been expanding its sales to Africa. And goods currently exported include refrigerators, stoves, cars, trucks, farm machinery and even complete auto parts factories, and guarana [a medicinal herb]. An evaluation of this effort shows that to export is possible and necessary, but difficult.

If on the one hand the figures reveal the potential of this market, on the other they conceal innumerable difficulties. The majority of the African nations are still facing the vestiges of colonial domination and in general they have unstable political and economic systems, an exaggerated bureaucracy (with which the Brazilian is already familiar from his own experience), and the peculiar habits of African leaders. Generally speaking, the Africans are not in a hurry, they do not observe deadlines and they are inclined to sudden changes in commitments made.

The Brazilians, in turn, are beginning to be more aggressive in international trade. Despite the excellent transactions already completed or in progress, there are still many problems with the limited number of regular maritime shipping lines, high freight costs, impracticable contracts and the rash inclination to "make two deals at the same time--the first and

the last." There are bad exporters (attempting to sell hairspray in Nigeria) and good exporters (made a tribal chief of Yoruba, a local monarch). The former, almost always due to lack of experience, has made the work of the latter and the Itamaraty Palace difficult.

Brazil has working for it the will of the African peoples to free themselves from dependence on the old mother countries. And Brazilian measures, mainly the diplomatic policy of multilateral approach in international forums (as interlocutor for the countries in the process of development), have contributed to making the country one of the alternatives for economic independence. However one cannot overlook the influence of the former mother countries not only on development of the new nations but also on their very importance, for which reason a more specific foreign trade policy is needed.

The similarities and the sympathy between Africans and Brazilians depend on both: the important thing (for trade) is to encourage Brazil as a political choice.

Itamaraty Palace Action Paves the Way

With regard to Africa today, there is no political note to pay off. This is the view of Ambassador Paulo Tarso Flexa de Lima, head of the trade promotion department at the Itamaraty Palace, in whose view the approach to Africa is essentially based on political factors. "We have no link with the colonial past of Africa. And if in the recent past our attitudes have been less clear in relation to the then-Portuguese colonies, subsequent attitudes have been oriented toward correcting and completely clarifying Brazil's position."

Brazil's diplomatic policy with regard to Africa, Flexa de Lima explained, is one of categorical support of African causes, both in the multilateral forums and in bilateral dialogs with the governments of the African countries. "Brazil is perfectly identified with these countries in their rejection of the apartheid policy pursued by South Africa, in their aspirations for independence for Namibia and a black majority government for Rhodesia. Brazil's relations with the new countries speaking its language are impeccable, and we have supported them since the dawn of their independence," he said.

The head of the trade promotion department at the Itamaraty Palace added that Brazil's great success lies precisely "in the demystification of the transfer of technology, which has been carried out by the Brazilian government and enterprises without further conditions, in addition to Brazil's responsibility toward the countries in the process of development and the concern to serve the client well." Concerning future diplomatic difficulties, Flexa de Lima was categorical. "I would say that we have not had and do not have any difficulties, for we enjoy unlimited access to the African countries, access which, since it involves very centralized societies and

governments, represents the indispensable tool for support of the development of the Brazilian presence."

In the view of the ambassador, a word should be said about the "exceptional" performance of Brazilian businessmen, who have been able worthily to win key trade positions "by adding to aggressive action a sense of mission, prudently tempered with doses of realism and humility."

Warning

With regard to the activity of Brazilian businessmen in Africa, Paulo Tarso Flexa de Lima warned that both industrialists and the government should pursue a clear commercial policy. "They must observe the norms and concerns of the OAU, which recommends a boycott against enterprises which deal with South Africa." The head of the Itamaraty Palace trade promotion department recalled that in this effort to establish closer relations with Africa, "special mention should be made of the Bank of Brazil and its foreign trade department, which have been able to respond efficiently to the tremendous financial challenges within the framework of the projects being developed. We are therefore highly competitive."

The policy of Brazilian penetration in Africa, Paulo Tarso Flexa de Lima said, perhaps because of ethnic affinity, the identity of the governments' intentions, the convergence of activities on the common goal of improving living conditions, has been very successful. "We went to Africa with our own image as a country in the process of development which had in some cases already passed through the same vicissitudes now being experienced by the young African nations.

"We have never had any hegemonic intent or acted opportunistically in an effort to occupy commercial or economic space left by the former mother countries," Flexa de Lima said. "On the political level, we remain absolutely faithful to the ethical principles which we have always wanted to see predominate in international relations."

What Is Needed

There are no criticisms of the Itamaraty policy, only suggestions. One of them is that trade offices be established on the African continent. Generally speaking, Brazilian exporters recognize the effort of diplomats to cooperate in a closer approach, but they do not deny the almost total lack of market information. "What there is is not sufficient to lead to firm negotiations. There are generic indications in the majority of cases. This is not the fault of the Itamaraty Palace, but of a government structure to encourage the establishment of trade offices with diplomatic personnel, and personnel representing the Bank of Brazil and other Brazilian federal bodies functioning in the foreign trade area," said Ossian A. de Souza Neto, manager of export operations for Nemo, S.A.,

trade and administration--a business belonging to the Suzano-Feffer group. Ivan Lasaro, trade director (Africa, Caribbean and Latin America) of Cicatrade (a part of the Bonfiglioli group), shares that view and mentions, as an example of the difficulties encountered, the lack of survey information about the African clients.

Aderbal Aidar, export manager for Pereira Lopes-Ibesa Industry and Trade, S.A., praised the Itamaraty policy, but agrees that "because of the very instability of some African governments, it is difficult for the Itamaraty Palace consistently to maintain good relations with the right men in the government."

Celso Relvas, superintendent of international activities for Promon Engineering, S.A., believes that it is only with time and persistent action that the Brazilian government (through the Itamaraty Palace, the Bank of Brazil and other bodies) will be in a position to provide the exporter with a reliable and efficient range of information, without which an effective trade relationship is difficult. He recognizes, however, that the Itamaraty Palace has exceeded all expectations in relation to Africa in a short time.

Paulo Tarso Flexa de Lima commented moreover that the response to some criticisms can be found in the statistical figures on the increase in Brazilian trade. "It should be borne in mind," he said, "that this phenomenon occurred in an extremely short period in the life of the African nations, which began to win independence in the 1950s. It should also be remembered that Brazil's presence came about through a battle against the old business structures linked with the former mother countries, not to mention the economic, political and cultural importance of those countries in the training and economic development of the young nations."

In the opinion of Celso Relvas, the Itamaraty Palace should play a role as a sponsor or catalyst, "encouraging a better understanding in the African countries of the Brazilian reality and supporting the sales efforts of the qualified Brazilian enterprises (a critical mass and technical and business competence are needed to function abroad)."

Competitive Products and Patience Needed

Patience, great patience, the finding of good local commercial agents and the capacity to make products competitive enough to face up to the former mother countries. This is the formula urged by the vice president of INTERBRAS [PETROBRAS International Trade, S.A.], Sergio Augusto Barcellos, for the intensification of Brazilian penetration of West Africa.

West Africa, included in the category of new markets, joins Eastern Europe and the Middle East as one of the regions currently absorbing the greatest efforts of INTERBRAS to place Brazilian products and services abroad.

According to CACEX [Foreign Trade Department] data, Brazil exported goods worth about \$430 million U.S. between January and November of last year, double the volume of imports from those same countries, the greater part of which was oil. In the same period in 1978, Brazil exported goods worth about \$325 million U.S. to that same region, as compared to imports estimated at \$212 million U.S. The 16 countries making up West Africa accounted for 50 percent of the exports, in value, to Africa as a whole (\$664.5 million U.S.) and this in itself, as INTERBRAS noted, is a figure indicative of the priority importance of this region to Brazil, within the context of trade exchange which is increasing every year.

In 1979, the largest volume of sales, about \$122 million U.S., was to Nigeria, followed by transactions with Zaire and Liberia, each running to about \$89 million U.S. In the import category, Gabon ranked 1st, supplying goods worth about \$110 million U.S. (mainly oil), followed by the Congo, accounting for \$40 million U.S., and Nigeria, with \$32 million U.S.

Credit

According to the Market Studies and Research Department of the CACEX, Brazil's exports to West Africa, using special credit lines, are being made by way of an investment, with the expectation of a potential future market, and consistent with the guidelines of the Ministry of Foreign Affairs. Apart from the ordinary export incentives, the businessmen seeking out the African market can currently rely on resources of about \$110 million U.S. included in the credit lines established for Angola (about \$80 million U.S.), Gabon, Guinea-Bissau, the Ivory Coast, Mali, Niger, Togo and the Central African Republic. The CACEX, which administers the resources obtained from the FINEX [Financing and Export Fund], is still studying the establishment of a credit line for Senegal.

In order to facilitate the use of the credit lines established and trade penetration of West Africa as such, the Bank of Brazil purchased about 20 percent of the controlling stock in the BIAO [International Bank for West Africa], with a capital of about \$25 million U.S. The BIAO, controlled by French groups, is the largest bank in the region in terms of number of agencies and volume of financial operations.

The credit lines, although they encourage exports to Africa, are not enough to guarantee continuity. In the view of Sergio Augusto Barcellos, the increase in trade with West Africa depends above all on massive investment in technicians specializing in foreign trade, in constant trips and the hiring of "reliable local commercial agents." He also points to the need, if this trade is to develop, for the country to prepare itself to deal with the increasing protectionist requirements imposed by the West African countries, similar to the Brazilian policy of replacing imports, to this end, at the beginning of the 1950s.

Markets

The countries which were Portuguese colonies in the past are the markets which can advantageously be explored by Brazil, according to an INTERBRAS study. The language identity in these countries represents a factor favoring closer trade contacts. Angola, an oil producer and rich in natural resources, was one of the first countries with which the trading sector of BRASPETRO [PETROBRAS branch for overseas operations] did business a year before the INTERBRAS was established.

"The former British colonies, although economically and politically less dependent on the former mother country, lack the organization and stability which normally favor trade relations," according to INTERBRAS. The largest market in this group is Nigeria, a heavily populated country which is an exporter of oil. The countries colonized by France are better organized and more stable from the political and administrative point of view, but the political-economic and cultural links France has been able to maintain after independence was won represent, INTERBRAS says, a barrier to commercial penetration by countries situated outside the French orbit, in particular, and that of the EEC, more generally. The Ivory Coast, a country with a trade balance in equilibrium and beginning industrialization is the one among these countries which offers Brazil the greatest trade potential.

Where North Africa is concerned, INTERBRAS believes that the best prospects exist in Algeria, a market where the PETROBRAS subsidiary has already carried out some major operations. Thus, with the exception of South Africa, "the other groups of countries offer good markets, mainly for engineering services, with regard to the urban and industrial infrastructures," the INTERBRAS study goes on to say.

As to industrially processed products, "there remains a relatively short time for broad action by Brazil, since the largest portions of the market have already been won by the Europeans, Americans and Japanese, who are launching a process of local establishment of assembly lines, whether associated with domestic capital or not."

Despite all the competition, the INTERBRAS is preparing to export domestic appliance parts to Nigeria, with a view to establishing an assembly line there instead of selling the finished products, the import of which has been prohibited by new Nigerian legislation. The vice president of INTERBRAS is confident that the assembly line for refrigerators and air-conditioning apparatus will be successful in recovering the place won by appliances coming from Brazil, which accounted for income of \$7 million during the so-called "Tama operation," which used a picture of Pele in advertising to establish a Brazilian bridgehead with Nigeria.

Nigeria has been the country with which INTERBRAS has had the best relationship, exporting products and services, such as the Lagos telephone network remodeling project, which was entrusted to the private Protec-Sobratel trust,

and the building of three cassava processing plants on a turnkey basis by the D'Andrea and Planave firms.

Since 1976, INTERBRAS has marketed 22 Brazilian products in 12 African countries. Primary and manufactured products have been exported to West Africa, mainly to Nigeria, Togo, the Ivory Coast and Senegal.

Despite the undeniable advantages achieved by the INTERBRAS policy leading to the opening up of markets, its role today is being rigorously challenged, to the extent that it has come to compete with the trading companies and private exporters. Some businessmen argue that the PETROBRAS subsidiary was established to serve as a bargaining tool for Brazil. It purchased oil and established a Brazilian product as a counterpart. Today the situation is different: with the oil crisis, a guarantee of supply is already considerable. Therefore the Brazilian exporters believe that INTERBRAS should reduce its investments where Brazilian enterprises have already achieved good penetration and direct its activities to markets where access is more difficult.

Brazil New Option for Africa

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Feb 80 p 24

[Article by Joana Bonfim, of the Belo Horizonte office; Eliezer Salles and Ademir Shiraishi, of the Brasilia office; Anibal Junior and Nelson Lemos, of the Rio office; and Fatima Turci and Paulo Andreoli, of the Sao Paulo office, who also coordinated the final text]

[Text] Each dollar exported in services represents 10 others in equipment. This is not true for Brazil alone. This is the case with the industrialized nations, in connection with the engineering services they supply to Africa. Brazilian enterprises, moreover, are already content to have succeeded in breaking the hold of the former mother countries on the African ex-colonies. And what they have achieved in Africa to date (roads, airports, farm, railroad and industrial projects) already accounts for a considerable volume of exported equipment.

The mechanisms for the support of exports of services, in the opinion of businessmen in the sector, should be more political than economic. And in this context, the role played by the Itamaraty Palace is basic, as Celso Relvas, director of Promon Engineering, explained. In his view the activities of the Brazilian government should be focused mainly on promoting a decision by Brazil to serve as an option for trade opportunities unrelated to the European sector. The similarities between Brazil and Africa, in his view, "also contribute greatly to this and, even more important, there is the lack of any colonizing past in Brazil's history."

Simultaneous with the effort made by the service enterprises, private and government banks are beginning to view Africa as an area for the extension

of their transactions, to promote Brazilian exports and to contribute to speeding up the business procedures. This is the case mainly in the experience of the Royal Bank in the Ivory Coast and the activities of the Bank of Brazil and the Central Bank--the latter with the increasing participation of the African Development Fund.

The trading companies too have played an important role for Brazil and, despite the fact that they are relatively recent enterprises and in the majority of cases are affiliated with industrial complexes, they supplement the state penetration effort. Some instances of notable success could already be mentioned, such as the production of Brazilian guarana in Nigeria, as well as auto parts, with local manpower managed by Brazilian technicians. Participation in agricultural projects (such as the production of soybeans in the Ivory Coast and the improvement of Nigerian livestock breeding) may guarantee the winning of this important market by Brazil, a country with a climate and topography similar to that in Africa. Tropical technology--as the businessmen in the sector call it--is the only kind the industrialized countries lack. And the Africans seem to know this.

Competition--The Greatest Problem for the Businessmen

"Competition is indeed a problem. Bureaucracy, freight rates, paperwork, rubber stamps, waiting, delays--all these are distractions," commented Bernardo Sondermann, the director of Port Trading. In his view, the Brazilian in Africa must always seek to know more, to show more respect, "and to judge less." It is his opinion that Brazil has excellent conditions for winning a good portion of the African market, provided it pursues a "long, difficult, continuous and necessary" effort. In the final analysis, Bernardo Sondermann says, the problem of competition should be resolved for the international businessmen in the medium time range. "And until then, without bureaucracy and other difficulties, what will remain for our trading companies?" In the view of Ivan Lazaro, commercial director of Cicatrade, "the important thing is to sell, despite bureaucracy."

Pedro de Brito, of Cotia Trading (a part of the Ovidio de Brito group) said that there is a lack of personnel with expertise in foreign trade, for which reason some transactions with Brazil fall through. One way of resolving this manpower problem in Ivan Lazaro's view is market specialization. Thus the existing traders would begin to specialize in markets where they are functioning and the business effort would be better directed, with much better results.

The Brazilian trading companies are prepared--"and are already set up in Africa"--as the businessmen say, to speed up the multilateral trade exchange with Africa. But in order to do so there must be an objective export policy, Bernardo Sondermann said. "Well-defined goals, guaranteed resources and a government effort to minimize bureaucratic problems and freight rates will bring fully satisfactory results for Brazil. And, moreover, the important thing in Africa is to get started there now--in a short time it may be too late," the director of Port Trading explained.

The foreign trade businessmen for the most part regard Africa as the "new America," a continent offering an opportunity to compete in winning the market for less-developed countries such as Brazil. "This is perhaps the last potentially important opportunity still remaining in the world," as a manager of one of the trading companies said.

Bernardo Sondermann also believes that in defining an export policy, the government should avoid scattering resources and incompetence. "The government must discourage amateurism. And this is achieved by assessing the structure of the enterprises prepared to export products (quality and price) and the personnel who will take charge of international dealings. Without this knowledge, it cannot stimulate the potential exporter because a failing in any one of these factors could threaten the effort of others."

A Good Market

Ivan Lazaro, of Cicatrade, clarified the view that the African market is excellent and all that remains is to export to it. "It is not enough for the product to reach Africa. Exporting includes knowledge, diplomacy, negotiation and marketing. Africa is an excellent market, but it is not our market," he commented.

Despite the difficulties, the Brazilian trading companies have already won major commercial areas in Africa. Cotia Trading is among the most successful. "After three years of discussion," Pedro de Brito explained, "Cotia Trading is now developing an integrated livestock project in Nigeria (breeding, reproduction, fattening and slaughtering) on five ranches, in order to improve Nigerian livestock. The project will cover 5 years and is budgeted at \$200 million U.S. Sixty-six Brazilians as well as 658 Nigerians on contract with Cotia are currently working in Nigeria. In Angola too we are developing two similar projects to improve the standard of the stock."

Nigeria is currently the best market on the African coast, in the view of Pedro de Brito, which is shared by other businessmen.

Port Trading is also utilizing Brazilian technology in livestock breeding and crop raising, and in the Ivory Coast, it is managing a \$60 million U.S. project for the planting of soybeans on 6 farms of 2,000 hectares each. The goal of the government of the Ivory Coast is to produce a million tons a year 10 years from now. Despite the problems encountered with the project, negotiated 3 years ago with a Brazilian cooperative (with delays which led the president of the Ivory Coast to voice his apprehension to President Joao Figueiredo), the prospects for development are now good.

Cicatrade, for its part, as a natural development of the main activity of the group (the Cica agroindustrial complex), now has a definite orientation for export--the food sector. It is now negotiating to provide services, utilizing agroindustrial know-how. It is the intention of the enterprise,

Ivan Lazaro explained, to sell agroindustrial complex "packages" (by the turnkey system) for the production of foodstuffs, ranging from planting to the industrial processing of the product and its marketing.

Cotia is establishing, also in Nigeria, a network of cold storage plants (79 chambers) scattered throughout the territory of the country. The Brazilian trading company will manage the units for 4 years and in the subsequent 5 years it will provide full technical aid. The total value of the sale, according to Pedro de Brito, was \$25 million U.S. The interesting thing is that the cold storage chambers, with a capacity of 250 tons each, were produced by an enterprise in the group (the National Compressor Factory) and sold by the trading company itself (Cotia).

The commercial activities of Cotia Trading do not stop there. It has also established an auto parts industry in Nigeria ("probably the first Brazilian auto parts industry abroad," according to Pedro de Brito). It has 400 employees, and the Brazilian enterprise holds 25 percent of the stock. Its name is "Lik" and it has absorbed investments of about \$1.7 million U.S. "Drinko," another Cotia Trading undertaking, will produce Brazilian guarana in Nigeria (on license from Brahma). This enterprise, with Cotia holding 40 percent of the capital stock, will begin production in November, and has absorbed about \$8 million U.S. in investments.

Cotia also has Projex West Africa, in Nigeria, which is designing agricultural projects and promoting the import of farm machinery and tools, from Brazil, naturally. "Lemarcro" is another Cotia enterprise serving as a storage facility in Lagos for the dispatch of products marketed by the trading company.

The business transactions of Port Trading (which in addition to the Ivory Coast project is a traditional exporter of cotton thread and related products) totaled about \$40 million U.S. last year.

"Talk of Pele Doesn't Help"

Postponed commitments, indifference, missing equipment, internal struggle, coups d'etat, mistrust and unreliable decisions. These are the characteristics of the African countries in the process of development or consolidation which, according to Brazilian businessmen, must be understood and respected. The important thing in the view of Celso Relvas, superintendent of international activities for Promon Engineering, S.A., is that the African countries are nations in the process of creation or establishment seeking new trade links.

Despite the frequent tendency to underestimate the complexity of the problem and to overestimate local capacity, the African countries have a great shortage of technical and administrative cadres, according to Relvas, a problem to which the Brazilian exporter must devote concern. What must be avoided at all costs is haste. "Talking of Pele, our carnival season

and the samba does not help. In addition, the Brazilian businessman, in dealing with Africans, must respect their exaggerated pride," as was made clear on a recent visit to Brazil by the president of Guinea, who stated: "I have not come here to beg."

Along with that pride there is a seeming contradiction: while the African countries are concerned about their political and economic independence, they maintain strong ties with the former mother countries. To overcome the barrier of a traditionally European market, according to Relvas, the Brazilian government must persuade the African governments to opt for Brazil as a strong trade partner. Without such a clear choice, the national businesses developing projects in Africa will never be included on the "short list," i.e. among the firms which a priori should compete.

Examples of this are seen in international bidding, such as that for a refinery in Angola, wherein one requirement was that each competing enterprise have a functional office in Paris. Or again the talk "which never happened," as Relvas recounted. "The purpose was to sell the concept of a project, also sought by the French, for the Ivory Coast. The official in question was an adviser to the minister, who by coincidence was French. The result was that we talked for 2 hours about everything, but nothing was said about the main purpose of the meeting."

Mendes Junior Construction, according to Antonio Alberto Canabrava, director of the international production section of the enterprise, had another example of competition of the "knife point plunged into the negotiating table." The bidding for the construction of a road in Mauritania began before the Spanish Saharan war, when France was supporting the troops of Mauritania, which strengthened the French enterprises in bidding for the contract.

"The European enterprises have an almost captive market in Africa," Canabrava added. "But the facility in dealing with the independent African aids us greatly, while the Europeans were accustomed to working with the colonial Africans." In this connection, the most important factor in establishing Mendes Junior in Africa, according to Jose Luis Sapateiro, administrative and financial director of the international section of the enterprise, was the offering of a training course for the local population. Today, the enterprise has a record of about 20 bids obtained (airports, roads, dams, railroads, totaling more than \$1 billion U.S.).

Alternative

An excellent alternative for the Brazilian businessman in Africa is the establishment of branches, as Promon did with Promint Nigeria, Ltd., in accordance with the requirements of local laws, as well as Protec Sobratel Nigeria, Ltd., which since 1975 has completed 4 telephone network projects totaling \$102 million U.S. in value. Promon, which also began operations

in Nigeria in 1975, provided consulting services and established the National Telecommunications Plan covering more than 50 cities, in a project totaling \$50 million U.S. Other Brazilian enterprises for consultation or execution of telecommunications services are operating in Africa, such as for example Hidroservice and Grambell, showing the technical respect won by our national firms.

In this connection, Celso Relvas said that the Brazilian government should focus its attention on the selection of export businesses it will support, such as to exclude the "swindlers, opportunists, adventurers and the inexperienced, who pose a threat to those who have already won the confidence of the Africans." Penetration of the African market in providing services can in his view play a strategic role in leading to the export of equipment, as has already occurred with Canada, where for each dollar of engineering service exported, there are 10 more dollars' worth of Canadian equipment exported.

Dreams and Deceptions

Tempting, without a doubt, but difficult to win. This is how businessmen describe the African market, seeking to understand what in terms of anecdotes would be funny but in business demands patience and understanding. Overlooking interruptions in relations with the Africans is the first requirement for undertaking negotiations, Relvas stressed. He recalled the instance in which a legal adviser to an African minister fell asleep 10 minutes after the meeting began. He slept for 45 minutes, after which he reviewed a letter and then, without the slightest embarrassment, resumed the talk "exactly at the point where it had been interrupted."

It is very common for appointments to be sought from Brazil and confirmed in Africa, and when the Brazilian exporter appears at the scheduled time and date for the appointment, the secretary says: "He went to London for a few days' vacation." The tales about Africa, however, are not limited to dreams and vacations. It is noted that theft of equipment and the disappearance of machinery occur, and that the Nigerian army took over equipment belonging to the Protec-Sobratel enterprise.

Antonio Cessio de Mello Nogueira, the director of Protec, denies this and says that the army even guarded the warehouse. "What happened was that the Nigerian army lent us some premises, while we were modernizing the Lagos telephone network, which took 2 years, and then asked us to return the premises. As we had stayed until the established date, they asked us to withdraw."

Mendes Junior, for its part, faced political problems. After certain documents had been signed calling for the construction of the second section of the Esperanza highway, last 5 April, the enterprise directors were left uncertain as to whether they could conclude the agreement the following day as scheduled, because in the interval of a few hours, a coup d'etat overturned the government of Mauritania which, however, did opt to sign the contract.

Role of the Banking Sector

The Bank of Brazil is awaiting the developments of the activities of its agency in the Ivory Coast and its office in Nigeria in order to define the expansion of its network of branches in Africa. The medium-range plans of the Bank of Brazil call for the establishment of agencies in Gabon, Tanzania, Senegal, the United Republic of Cameroon, Zaire, Togo, Mauritania, Egypt, Morocco, Mozambique, Kenya and Tunisia.

The difficulties in the experience in the Ivory Coast will result in changes in the operational scheme of the Bank of Brazil for Africa. For example, one of the lessons learned by the bank was the aversion of Africans to any guarantee requirement for obtaining loans, as well as the domination of the market by European financial institutions.

The bank is further seeking to dynamize credit lines for African importers of Brazilian products and services. But the greatest credit demand involves resources for investment, above all in the transportation, agricultural and industrial sectors. Therefore the Bank of Brazil is also expanding its operations with resources provided by its branches established in the large financial centers.

While it has not reached a conclusion about the viability of establishing new branches on the African continent, the Bank of Brazil is seeking to benefit from its 20 percent participation in the capital of the International Bank for West Africa, with an investment of about \$4.95 million U.S.

The International Bank for West Africa has its headquarters in Paris and the France-Africa Finance Company holds controlling stock. However, 137 branches of the bank are located in Africa, as compared to only 38 in Europe. Thus, indirectly, the Bank of Brazil is active, through the International Bank for West Africa, in Chad, the Central African Republic, Mali, Senegal, Togo, the United Republic of Cameroon, Gabon, Zaire, Mauritania and Upper Volta. At the end of 1979 Brazil had a balance of 62,290,000 cruzeiros available from the African Development Fund. While the Central Bank of Brazil underwrites only 1 percent of the quota, this role takes on importance because it provides access for Brazilian businessmen to the bids on projects partially financed by the fund.

Royal Group

Three years ago the Royal Group established a bank in Africa, the Royal Bank of the Ivory Coast. It, along with two branches in Abidjan, is functioning in all the sectors covered by a commercial bank. A large part of the banking operations involve the financing of imports of Brazilian products, both primary and manufactured. In these 3 years of activity, 1 of the major operations has been the financing of the import of Chevette automobiles produced in Brazil.

Juarez Soares, vice president of the Royal Bank, S.A., believes that in the medium and long range the establishment of a bank in the African market was a very promising investment. In the short run, it is normal that Ivory Coast imports should mainly involve France, since it is a former French colony. "But Brazil is in a position to compete on this market and we believe that one of the functions of a Brazilian bank operating abroad is exactly this--promotion of the sale of Brazilian products," Soares said. In these activities, the bank has the support of the Royal Foreign Trade Company.

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List of Products Exported to West Africa--1979

Key:

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| 1. Country | 20. Air conditioners |
| 2. Upper Volta | 21. Canned meat |
| 3. Angola | 22. Textile fiber |
| 4. Algeria | 23. Stoves |
| 5. Cameroon | 24. Tobacco |
| 6. Congo | 25. Fruit |
| 7. Ivory Coast | 26. Gasoline |
| 8. Gabon | 27. Foodstuffs |
| 9. Ghana | 28. Powdered milk |
| 10. Guinea | 29. Medicines |
| 11. Liberia | 30. Soybean oil and meal |
| 12. Mauritania | 31. Paper and cellulose |
| 13. Nigeria | 32. Tires |
| 14. Senegal | 33. Chemical products |
| 15. Sierra Leone | 34. Refrigerators |
| 16. Togo | 35. Shoes |
| 17. Zaire | 36. Seeds |
| 18. Automobiles | 37. Heavy vehicles |
| 19. Auto parts | 38. Product |

Brazilian Exports to West Africa in Thousands of U.S. Dollars (FOB)

(1)				
PAISES	1975	1977	1978	1979
ALTO VOLTA (2)	397	91	1.482	374
ANGOLA (3)	22.079	26.184	22.594	73.000
ARGÉLIA (4)	141.975	180.796	108.103	30.700
CAMARÕES (5)	724	1.623	2.841	2.948
CONGO (6)	42	5.138	14.616	12.000
COSTA DO MARFIM (7)	1.349	14.304	5.140	9.500
GABÃO (8)	186	1.236	2.277	2.500
GHANA (9)	5.110	8.592	8.582	3.000
GUINÉ (10)	3	144	1	14
LIBÉRIA (11)	1.904	16.513	30.388	60.596
MAURITÂNIA (12)	5.923	3.129	465	9.439
NIGÉRIA (13)	36.693	115.110	233.517	122.290
SENÉGAL (14)	5.722	4.482	7.504	9.807
SERRA LEOA (15)	333	776	1.106	496
TÓGO (16)	5.721	953	7.305	988
ZAIRE (17)	5.311	5.408	24.672	90.000

Key:

- | | |
|----------------|------------------|
| 1. Country | 10. Guinea |
| 2. Upper Volta | 11. Liberia |
| 3. Angola | 12. Mauritania |
| 4. Algeria | 13. Nigeria |
| 5. Cameroon | 14. Senegal |
| 6. Congo | 15. Sierra Leone |
| 7. Ivory Coast | 16. Togo |
| 8. Gabon | 17. Zaire |
| 9. Ghana | |

Source: CACEX--Bank of Brazil

5157

CSO: 3001

DEPARTMENTAL GOVERNORS: PROJECTS , PROBLEMS

Bogota CROMOS in Spanish 25 Feb 80 pp 14-20

[Article by Alvaro Burgos Palacios: "What Are the Governors Doing? What Is Their Greatest Problem?"]

[Text] This special report contains a genuine "X-ray" of the country's status with respect to works projects. Each of the departmental governors told CROMOS which projects would be completed by the end of his term in office, and what the main problem in his administrative area is.

One can observe the difference in the concerns of each. Whereas some complain because the Ministry of Education has not assigned them enough teachers (Bolívar, Córdoba), others are undertaking civic programs to combat illiteracy (there are 280,000 in Tolima), and one expects to have 100 percent schooling (Valle).

The communications facilities are a common problem, as is the breakdown of a single department into regions. For example, in Cauca there are virtually four completely different subregions; the southern part of Bolívar has very little in common with Cartagena, and the Norte de Santander border region is quite different from its Andean region.

A year and a half after the present government took office, many of its departmental agents are announcing completed projects. Others claim that they only intend to continue those which others started, or to set in motion some very large projects. This holds true for Chocó, Tolima and Huila.

The readers will have an opportunity to discover how the projects of the present administration are progressing in the 22 departments.



Antioquia

Rodrigo Uribe Echavarría

Projects executed:

The electrification lines to serve the Uraba Electrification System, which opened last week.

Projects being executed:

The Medellín-Bogotá highway.

The highway to the southwest of Antioquia, which will end at Quibdó.

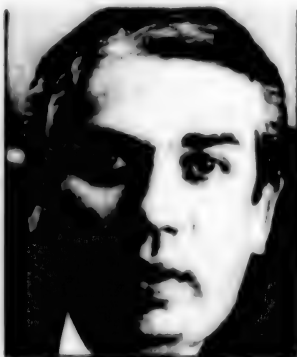
The metropolitan train for Medellín. It includes two lines: one over 26 kilometers of surface along the Medellín River, and another extending 4 kilometers underground and elevated, from Berrio Park to Highway 80.

The new airport.

The hospital plan. "We are working on 43 fronts all over Antioquia."

Problem:

The one which confronted us until recently, involving public order; it has now been resolved, but could break out again at any time. The university reopened last week, and (I hope) the anarchical forces will allow it to operate.



Atlantico

Pedro Martín Leyes

Projects executed:

None.

Projects being executed:

Metrofutbol [soccer field], a stadium which will be used as a secondary site for the 1986 World Cup competition, with a capacity to hold 60,000 people, the cost of which exceeds 500 million pesos.

The Barranquilla Supplies Center.

Problem:

The shortage of public services.



Bolivar

Elvira Facio-Lince de Espinosa

Projects executed:

Electrification of the rural areas.

Projects being executed:

Everything that is within my power to improve education. Unfortunately, the ministry for that sector increased the number of teachers by only 100 slots, which is ridiculous.

Creating the Middle Magdalena Corporation to benefit the most remote section of southern Bolivar in particular.

Problem:

To please everyone. It is very difficult for me to keep waiting for the participation of all the groups which, furthermore, change every day.



Boyaca

Jorge Perico Cardenas

Projects executed:

None.

Projects being executed:

To gain a fair and adequate share for Boyaca in the development of its iron, coal and limestone resources, which have been exploited for 20 years by Paz del Rio Steelworks, without granting either the nation or the department a single centavo. When the national government orders the mining funds assigned to the Boyaca Institute of Development, it will have resources for its development.

Boyaca International Center, in Paipa, which includes a 300-room hotel, with an investment of 1 billion pesos.

Unicentro for Tunja (12,000 square meters built).

Hotels for Cuatque, Chivor and Miraflores.

Problem:

The infuriating pressure on the land from the people in the department, which entails widespread unemployment.



Caldas

Dilia Estrada de Gomez

Projects executed:

None.

Projects being executed:

Western Regional Waterworks, particularly in the Riosucio-Anserma and Supia-Marmato sections.

To create the corporation for the production of molasses for the Caldas Liquor Industry.

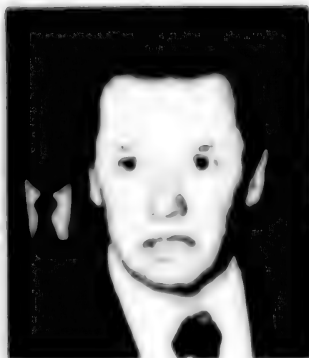
To give an impetus to the La Miel River hydroelectric development plan, which will produce 1.5 million kilowatts.

Entrance routes over an expanse of 1,200 kilometers.

Waterworks, sewerage systems and treatment plants in 23 of the 25 municipalities.

Problem:

The non-payment of salaries to over 10,000 teachers since 1976, amounting to over 800 million pesos.



Cauca

Gilberto Cruz Villegas

Projects executed:

Road plan: It began with 50 million, and is now administering 250 million.

Public health: There was an increase from a budget of 200 million to one of 362 million for 1980.

Projects being executed:

Construction of 200 kilometers of highways. (One of them, the Balboa-Argelia, is under way at a cost of 72 million pesos.)

Nationalization of education. The nation will contribute a total of 1 billion additional pesos, 300 million of which will reinforce the University of Cauca.

Completion of the construction of the San Jose de Popayan Hospital.

(Of the 120 million promised by the Turbay administration, 167 have been deposited.)

Problem:

The shortcomings in the road infrastructure and the non-integration of the department.



Cesar

Jose Guillermo Castro C.

Projects executed:

None.

Projects being executed:

Completion of the Valledupar-Manaure-Sabana Rubia highways (on the Venezuelan border).

Finishing of the "Nydia Quintero de Turbay" recreational park, covering 5 hectares, in Valledupar.

Finishing of the "Maria Concepcion Loperena" park (named for a heroine from Valledupar).

Opening of the "most beautiful departmental building in Colombia."

"Julio Cesar Turbay" Avenue, which crosses the slum sections of Valledupar.

Rural electrification for Cesar, through the Valledupar-Guacoeche-Guacochito interconnection.

Creation of the Farmers Audiovisual University, to serve 700 farmers.

Problem:

The economic situation. We have a "pileup" of outgoing fattened livestock, but the most serious thing is the shortage of rural electrification.



Cordoba

Alfonso de la Espriella

Projects executed:

None.

Projects being executed:

Benefiting from decentralization orders issued by the central government, and the counterbalancing system, we shall:

Build the Monteria-Valencia highway, along the left bank of the Sinu River, 70 kilometers long.

Construct the Venus bridge on the branch of the Sinu River in Cerete.

Build the Valencia-San Pedro de Uraba highway (30 kilometers), in cooperation with Antioquia.

Build the Buenavista-Tierra Santa and La Granjita-Providencia hauling routes. We shall invest about 120 million pesos in roads.

Build hauling routes in the Upper Sinu region.

"In the two closings of the current budget books in which I have been involved, at the end of 1978 and 1979, for the first time in many years the Department of Cordoba has been up to date in the payment of employees, teachers, university professors, etc. On the national level, the Cerrromatoso projects for the development of ferronickel. President Turbay may receive the first ingot at the beginning of 1982."

Problem:

The shortage of rural electrification. The exodus of the farmers to Monteria, with the public services problems which that entails. The shortage of teachers. Only 4,500 were approved for us, and we need 7,000. We require the difference.



Cundinamarca

Miguel Santamaria Davila

Projects executed:

We are completing the paving for which we have waited the longest: El Triunfo-Viota, Guasca-Gacheta; Ubaté-Cucunuba; Soacha-Mosquera (encircling Bogota); El Vino-Chuscal (6 kilometers); Magdalena Shore. We have built 800 kilometers of highways, 150 of which are paved.

Projects being executed:

We have attempted to revive village life, providing services to the small communities. For this purpose, we are working on the initiation of a program similar to that in Toulouse, France, which I visited at the request of the president to contract for consultant services and training for Colombian personnel. We want to save the Savannah, which is being swallowed by Bogota.

For marketing, eight peripheral storage centers.

We are creating auction systems so as to achieve balance and fairness in prices, to prevent the producers from becoming bankrupt and to enable consumers to have critical products such as potatoes and cane sugar.

We are working on the promotion of an agroindustrial effort.

There are 1,500 work fronts in as many communities, to meet the basic requirements of the infrastructure.

Problem:

The fact that Cundinamarca has received the impact of centralism more than any other region. Bogota consumes the human, energy and natural resources of the department, and does not return anything in compensation.



Choco

Luz Colombia de Gonzalez

Projects executed:

None.

Projects being executed:

Except for an administrative reform in my government on the departmental level no project will be completely finished. But we have made progress working on the following:

We have 5 million pesos to equip the government building, and we shall start to do so.

Infrastructural projects amounting to 30 million pesos for Istmina: its marketplace and its slaughterhouse.

Bridge on the San Pablo River.

Multiple sports facility in Condoto.

Multiple sports facility in Pie de Pato.

Marketplace for Bahia Solano.

Saulo Sanchez School in Riosucio.

Bridge on the Arquiti River in Acandí.

Bathing resort in Tutunendo.

Municipal Building for Bagado, Tado, and opening of the Usagara Canal in Lower Baudo.

The "Solano Bay, Alternate Port" forum, which will discuss that possibility with 100 state officials.

Problem:

The basic problem in Choco is the lack of communications routes.



Guajira

Rafael Iguaran Mendoza

Projects executed:

Chonera-Fonseca-Barranca regional waterworks.

Oxidation pond for the Maicao waterworks.

Projects being executed:

I hope to leave all the municipalities completely electrified.

I have paid the utmost attention to the energy from "Termoballenas." The Fonseca-Barranca-San Juan highway, and the one from Cuestecita to Riohacha are being completed.

Problem:

As the entire nation knows, it is the drug traffic. I can now say with satisfaction that it has declined 80 percent thanks to the backing of the central government. There are still conflicts among families.



Huila

Guillermo Lozano Lara

Projects executed:

None.

Projects being executed:

I do not think that it would be very sincere to say that we shall have projects completed. Our top priority is the completion of the staging for the 11th National Athletic Games which, because of the absorbing centralism, has been postponed twice. We have 47 million pesos, but the contracts are in Bogota and the budgets are in Bogota; and the work must be in Neiva.

The projects consist of the Plazas Alcid Stadium, with a capacity for 60,000 spectators, and the Domed Coliseum. These projects are from 60 to 70 per cent completed. The olympic swimming pools are all finished.

Problem:

The most serious and greatest problem in Huila is the lack of public services and infrastructural works in the department's 35 municipalities.



Meta

Hector Chacon Serna

Projects executed:

None.

Projects being executed:

Bogota-Villavicencio freeway.

Los Llanos refinery. We have oil here in the Castilla wells.

Rural electrification.

Paving from Villavicencio to Puerto Lopez. Paving of 3 kilometers on the road to San Martin.

Rectification of the San Martin-Granada highway.

Creation of the Meta Electrification System. We have 20 million in cash to carry out this project.

Problem:

The shortage of waterworks and treatment plants in all of the department's municipalities.



Narino

Luis Eduardo Cordoba Barahona

Projects executed:

Decentralization. For this, we have formed decentralization development committees, to enable the heads of the state institutions and agencies operating in Narino to work more independently, in accordance with the plans agreed upon.

Projects being executed:

Electrification plan for the municipalities, rural sections and villages, in coordination with the Narino Electric Powerplants, CEDENAR.

Construction of health stations. We have provided three.

Intermediate highways to connect with the main roads in Samaniego Province and the Pasto rural sections.

Problem:

Rebuilding the schools and public facilities destroyed by the earthquake. Resolving the matter of the attached funds in the departmental pension fund, and payments to pensioners amounting to 100 million pesos.



Norte de Santander

Adolfo Martínez Badillo

Projects executed:

None.

Projects being executed:

I want to have the final paving in the towns of Cucuta, Ocana and Pamplona completed.

Problem:

This is an unintegrated department. Hence there is an urgent need to build the new highway from Cucuta to Ocana, in order to achieve that integration.



Quindío

Volney Toro Arbelaez

Projects executed:

None.

Projects being executed:

Completion of the purification plants for Circasia and Filandia, and progress on those in La Tebaida and Cordoba, with bids for five more municipalities.

Paving of the Cruces-Filandia, Arrayanal-Salento, Rioverde-Pijao, Rioverde-Cordoba and Circasia-Montenegro highways, over a total of 38 kilometers.
Paving of the Armenia-Puerto Tapado-Montenegro circle.

Problem:

Lack of the Armenia waterworks. The present one is completely inadequate, because the landslides on the Boquia gorge which impounds the water cause geological faults which convert all the water in the town into silt. We are attempting to raise the present 600 liters per second to 1,000 liters per second.



Risaralda

Jose Ramon Ortega Rincon

Projects executed:

The Pereira-Marsella, Pereira-Alcala, and Santa Rosa de Cabal-Laguna de Otun highways.

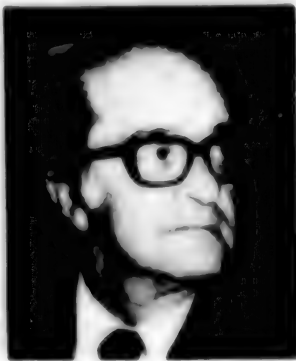
Dosquebradas viaduct.

Projects being executed:

My best project will be to generate the political peace that I have been calling for.

Problem:

The victims left us by Rio Otun Avenue and the earthquake last November. We are still suffering from the lack of a hydroelectric system and a liquor industry for Risaralda itself.



Santander

Alfonso Gomez Gomez

Projects executed:

None.

Projects being executed:

We are working intensively on highway development, for which we have had great encouragement from the central government. We hope to complete the basic part of the Bucaramanga-Medellin cross-section in the Puerto Araujo-Lizama area, measuring 60 kilometers. Reconstruction of the Oiba-Piedecuesta, Chiquinquirá-Barbosa, San Gil-Charala, San Vicente-Barrancabermeja, Barbosa-Velez, and Gualilo-Santa Helena roads is planned; also that of Santa Rosa-San Fernando, and the road from García Rovira to the Eastern Plains.

In cooperation with the governments of Boyaca, Antioquia, Bolivar and Cesar, to create the Middle Magdalena Valley Development Corporation.

To create the Rio Suarez Brown Sugar Mill, which will be the first major agroindustry in the province of Ricaurte.

The Socorro Tourist Hotel.

Problem:

Our most urgent need is related to road development, because the imbalance between the eastern and western part of the country in this regard is dramatic.



Sucre

Hermes Darío Perez

Projects executed:

None.

Projects being executed:

If I have sufficient time, by the second half of the year we shall provide the electric power transmission line from Tolu Viejo to Sincelejo; also, the Sincelejo substation, integrating the department into the CORELCA [Electric Corporation of the Atlantic Coast] program. We shall finish construction on the first phase of Sucre University City.

Construction of the Educational Services Administrative Center, in cooperation with the Ministry of Education and the ICCE [Colombian Schools Construction Institute]. (We resolved the impasse over the plot of land.)

Equipping of the Sincelejo National Development Center, which we shall open in March, in cooperation with the Integration Secretariat of the Presidency.

Final organization of the program for agricultural and livestock assistance and planning of Sucre, in conjunction with the FAO.

Construction of the Sincelejo-La Chivera road (25 kilometers).

Lighting for the region at the entrance to the marsh region in the Gulf of Morrosquillo.

Public market in Corozal. Paving of two lanes on the Sincelejito road.

Annexation of the University of Sucre to the National University.

Problem:

There are a great many: Lack of funds (Sucre has a budget of 200 million of its own). Lack of a liquor industry. Shortage of infrastructure related to waterworks and sewerage systems. A complete absence of highways in good repair. A lack of collective solidarity, especially among the politicians, in dealing with the real problems. Emigration of rural workers to Venezuela.



Tolima

Miguel Merino Gordillo

Projects executed:

None.

Projects being executed:

I do not expect to finish, but rather to start projects. Those which are of concern to me cannot be completed within a short time. They are:

Irrigation canals for the water at the Prado dam, to cultivate 5,000 hectares in the municipalities of Prado and Purificacion, and water service for 500 farming families. The cost of the program is 450 million pesos.

The Tolima Liquor Factory; it is to be converted into an industrial and commercial firm on the departmental level. We have no alcohol distillery now; we have not produced a bottle of brandy for a month. We make our living by begging for distilled alcohol. But, with the projects, we expect to have 20,000 liters per day available. We shall invest 120 million pesos.

The Ibagu -Juntas-El Nevado highway, 27 kilometers long, at a cost of 87 million pesos. The bidding has been closed.

We are repaving, rectifying or improving the following roads: Ibagu -la L nea (200 million); Girardot-Ibagu , Armero-Libano, Ortega Chaparral, Prado-Purificacion, Guamo-Saldana-Castillo and Cucuana-Ortega; and the road north of Tolima as well.

Problem:

Lack of an alcohol distillery. Brandy produces 30 percent of the department's revenue.



Valle del Cauca

Jaime Arizabaleta Calderon

Projects executed:

Total development plan. It will provide water, a sewerage system and complete care for the farmers in Valle del Cauca.

By 1981, we shall have met the educational requirements 100 percent.

With regard to roads, 450 kilometers of highways are being constructed, with paving in the central section and entrance routes to the areas potentially suited for agriculture.

These include the Naya-Buenaventura road, and the highway north of the department. The highway fund will contribute \$7 million.

Projects being executed:

We have made an effort on behalf of a qualitative improvement in agricultural products and better prices in the marketing areas.

The Pance Park, with 100 hectares for recreation.

Tourist development in Ladrilleros and La Bocana.

Rectification of the Cali-Cartago-Alcala-Zarzal highway. Changes on the Guacan-Restrepo-Darien-Palmira-Rozo-Pradero road. Entrance routes to Juanambu, Puerto Merizalde.

Completion of at least 25 percent of the health and education projects. We have finished the Zarzal and Roldanillo schools. There is a storage center for Roldanillo and, in 10 months, that in Ginebra will be ready. Soccer fields in villages and rural sections.

Problems:

The population pressure on one of the most developed areas, which President Turbay described as the "healthy envy" of other departments upon noting the enterprise and development of Valle.

Private Traits of the Governors

Interviewing the governors of Colombia revealed to CROMOS some odd private traits and facts. The secretaries of the officials from Valle and Magdalena have the best lineup of excuses for refusing it admittance. "The doctor is in conference," "the doctor is at a meeting and I cannot interrupt him," and "the doctor is working outside of the office" are old excuses. Now they are: "The doctor has the flu," "the doctor is in the hospital," and "the doctor will not return until one o'clock in the morning."

Generally speaking, the ones most at ease with the press are the most senior governors: those of Antioquia, Cauca, Bolivar, Santander and Atlantico.... but Valle del Cauca is an exception. Its governor's telephone is always busy, and the one in his residence does not even appear on the list for the building where he lives (out of fear of kidnapping, which happened to a young girl there the week before?). The governor of Sucre arrives at his office every morning after having visited the hospital or the slaughterhouse in Sincelejo. The earliest riser of all is the governor of Norte de Santander: he is in his office by 0700 hours. For our interview, the most efficient was the governor of Risaralda: we received his response by telex. The Tolima governor gave us additional information on two occasions. The press offices are generally inefficient. This branch's office in Narino promised us a photo of its governor (which never arrived) and a book which he wrote (and it did not arrive either). The most concrete in his response was the governor of Norte de Santander; the most ambiguous, the governor of Valle del Cauca; the most sincere, the governor of Meta; and the most philosophical, the governor of Cundinamarca.

But what broke the record for refusals from governors' secretaries was that in Magdalena. At times, they pretended not to hear the call from Bogota; and, on other occasions, they broke off the communication; until, one day, we heard them say: "Hang up without saying a damn thing!"

2909

CSO: 3010

LOW YIELDS, PRODUCTION SHORTFALLS REPORTED IN SUGAR HARVEST

FL221320 Havana Domestic Service in Spanish 1045 GMT 22 Mar 80 FL

[Excerpts] Joaquin Bernal Camero, party first secretary in Sancti Spiritus Province, has sent a letter to our Commander in Chief Fidel Castro, first secretary of the party Central Committee.

The letter, published in the newspaper GRANMA today, stresses that the province is making a big effort to reduce the degree of unfulfillment of the sugar production plan and to complete grinding before May all the sugarcane scheduled to be ground.

It also emphasizes that the principal obstacle has been the low sugar yield obtained so far which has resulted in a shortfall of 21,953 metric tons in fulfilling the plan. It adds that since the beginning of the harvest, rigorous measures have been adopted to guarantee, through an adequate sugarcane cutting schedule, the grinding of the most matured sugarcane to obtain more sugar content and purity of juices.

The letter also indicates that the province went on to improve all control mechanisms to insure the processing of fresh sugarcane.

Another letter sent to our Commander in Chief by Jose Ramon Balaguer Cabrera, party first secretary in Santiago de Cuba Province, reports on the measures taken in that province in response to Fidel's call at the national sugar harvest meeting.

Balaguer says that the people of Santiago are aware of the difficulties and insufficiencies they have faced in the current sugar harvest and they are committed more than ever to double their efforts so as to be equal to the needs of the moment. He adds that all of Fidel's guidelines have been conveyed and that, following a critical analysis, a plan of measures was drafted and implemented and this plan includes numerous tasks and objectives aimed at fulfilling the commitment made at the meeting with Fidel.

Among these measures, it is stressed that in order to guarantee the production figure assigned to Santiago de Cuba Province, a total of 10 million

arrobas of sugarcane more than in the September estimate will be ground. It is also emphasized that the America Libre, Paquito Rosales and Dos Rios sugar mills will exceed their sugar production plan to compensate for the deficit of the Los Reynaldos sugar mill which in turn is working to reduce its unfulfillment. The letter further states that the Julio Antonio Mella, Chile, Rafael Reyes and Salvador Rosales sugar mills will fulfill their production pledges.

CSO: 3010

BRIEFS

FRENCH SECRETARY OF STATE TO VISIT--French Secretary of State to the Ministry of Foreign Affairs Olivier Stirn will visit Cuba from 24 to 27 March. He will head his country's delegation to the Fifth Session of the French-Cuban Joint Economic Commission. While in Cuba Stirn will meet with ranking Cuban officials to discuss aspects of the international situation. [Text] [FL211221 Havana Voice of Cuba in English to North America and the Caribbean 0500 GMT 21 Mar 80 FL]

HART ON CULTURE, ECONOMIC DEVELOPMENT--The seminar on culture and economic development sponsored by the Ministry of Culture ended at noon today with a speech by Armando Hart Dávalos, member of the party Politburo and minister of culture. Fourteen position papers analyzing the aesthetic relationship of persons in work and the arts, economic problems of developing the branches of culture and a census of musicians were debated at the seminar since its opening on 18 March. Research of markets and their economic importance for cultural products were among the most important topics. (Igor Stolyarov) of the USSR Ministry of Culture and (Anatoliy Koryagin) of the Moscow Institute of Scientific Research of Arts participated in the seminar as guests. [Excerpts] [FL212103 Havana Domestic Service in Spanish 2005 GMT 21 Mar 80 FL]

REPRESSION IN EL SALVADOR--The Cuban Movement for Peace and Sovereignty of Peoples [MPSP] has denounced in Havana the fierce repression to which the Salvadoran people are being subjected by the proimperialist military junta of that nation. Since the imposition of the state of siege 12 days ago, the statement notes, an escalation [of repression] has been unleashed culminating with the machinegunning of the University of El Salvador. It adds that priests and religious also are persecuted and army and police forces are conducting search and destroy operations in the countryside, indiscriminately slaying men, women and children whose bodies are incinerated. Lastly, the MPSP urges all progressive persons to make effective and militant their solidarity with the heroic Salvadoran people. [Text] [FL221332 Havana Domestic Service in Spanish 1100 GMT 22 Mar 80 FL]

DORTICOS TO HUNGARIAN PARTY CONGRESS--Osvaldo Dorticos Torrado, member of the Political Bureau of the Communist Party of Cuba [PCC], is heading the PCC delegation that will attend the 12th Congress of the Hungarian Socialist Workers' Party to take place in Budapest, the capital, as of the 24th of this month. The Cuban delegation also includes Secundino Guerra, member of the PCC Central Committee and chief of the PCC General Affairs Department, and Jose Tabares de Real, Cuba's ambassador to Hungary, who will join the delegation on the arrival of the Cuban delegation at the European socialist country. [Text] [PA222015 Havana International Service in Spanish 1800 GMT 22 Mar 80 PA]

DEL VALLE AT PINAR DEL RIO PARTY MEETING--Sergio del Valle, member of the Party Politburo and Minister of Public Health, has chaired in Pinar del Rio a provincial meeting of party members in the public health sector. The fulfillment of guidelines by Commander in Chief Fidel Castro and resolutions of the First Party Congress and of the Central Committee's 8th Plenum were examined at the meeting along with action plans drafted in that regard. In the main report, Raul Rodriguez (Catala), chief of the Provincial Party Committee's consumption and services department, stressed the review of such fulfillment in all the party cells, 65 rank-and-file committees and [number indistinct] union locals which have 685 party members and 64 candidate members. [Text] [FL241624 Havana Domestic Service in Spanish 1600 GMT 24 Mar 80 pp 1 FL]

NEW POWER RATES--Antonio Torres, director of electricity of the Basic Industry Ministry, has explained that the new residential electric power rate and for state and other nonresidential consumers which goes into force in October and the rates for large state consumers which will be established in 1981 will help to reduce the peak power demand period. To some extent, they will also help to create a better balance between available power and electric power demand at night. Torres was speaking at the closing session of the National Plenary of the Union of Electric Power Generation enterprises held in Havana City. [FL241640 Havana Domestic Service in Spanish 1600 GMT 24 Mar 80 FL]

HAVANA PROVINCIAL ASSEMBLY SESSION--The fourth regular session of the Provincial People's Government Assembly of Havana Province has been held in San Antonio de los Banos with 90 percent of its delegates in attendance. The rendering-of-accounts report of the executive committee covering the period 1 November 1979 to 31 January 1980 was read by Provincial Assembly President Pedro Chavez Gonzalez. Among other matters, the report points out that registrations in day care centers have increased and that the infant mortality rate for last year, although lower than the national rate, increased over that of 1978. [FL241640 Havana Domestic Service in Spanish 1600 GMT 24 Mar 80 FL]

MACHADO VENTURA PRAISES CITRUS WORKERS--In his visit to the fruit processing plants in Jaguey Grande, Matanzas Province, Jose Ramon Machado Ventura, member of the Politburo and the Council of States, has congratulated the citrus

workers in that municipality for having reached its first million quintals in production in the current harvest. During the special ceremony for the group, Machado Ventura noted that this great achievement had the cooperation of the students attached to the Victoria de Giron Citrus Enterprises. Also present at the ceremony was Julian Rizo Alvarez, member of the Central Committee and First Party Secretary in the Province. [FL251218 Havana Domestic Service in Spanish 1000 GMT 25 Mar 80 FL]

SALVADORAN-NICARAGUAN DELEGATIONS--A great juvenile enthusiasm marked the evaluation of student emulation at the University of Havana held at the Lazaro Pena Theater. The event was attended by Fernando Vecino Alegret, member of the Party Central Committee and Minister of Higher Education. Also present were a delegation of the Nicaraguan Sandinist Liberation Front headed by Comdr Omar Cabezas and one from El Salvador. Cabezas told the students that participation in this type of event was very significant for him because it helped him envision the future of Nicaraguan students. [Havana Domestic Service in Spanish 1000 GMT 25 Mar 80 FL]

GENERAL WAGE REFORM--The Executive Committee of the Council of Ministers has decided to implement a general wage reform beginning the second semester of this year. The new measure will benefit all workers and especially those with lower incomes. Increases to maximum and minimum wages is one of the prominent features. The general wage reform will also help to neutralize the objective difficulties the country is facing as a consequence of the effects that are still being felt from the generalized crisis of the capitalist system of production, which hits hardest underdeveloped countries such as ours. GRANMA, the official PCC Central Committee organ, today carries an extensive report on the general wage reform. [Text] [FL251134 Havana Domestic Service in Spanish 1100 GMT 25 Mar 80 FL]

CLASS STRUCTURES CONFERENCE--Antonio Perez Herrero, member of the Central Committee Secretariat, will head our party's delegation to the international conference on the theory of class structures in Latin America that will open tomorrow in this capital. The event will take place at the Palace of Conventions and will be heavily attended by representatives of communist parties and revolutionary organizations in Latin America. [Text] [FL251142 Havana Domestic Service in Spanish 1100 GMT 25 Mar 80 FL]

ACADEMY OF SCIENCES FORUM--The third scientific forum of the Academy of Sciences opened today. Cuban researchers as well as foreigners working in our country will report the results of their work at the forum. The forum is divided into social sciences, earth and space sciences and studies related to biology, chemistry and mathematics. Some 30 works in the field of agricultural sciences will be discussed. They include several works concerned with sugarcane. Manuel Anderez [of the academy's agricultural

sciences section] stressed the 12 new varieties of sugarcane studied to replace the Barbados 4362 which is very susceptible to diseases. The scientific forum will continue until 29 March. [FL261224 Havana Domestic Service in Spanish 0037 GMT 26 Mar 80 FL]

CDR VIGILANCE WORK--The Committees for the Defense of the Revolution [CDR] must strengthen the defense of the revolution and ideological work with the masses. CDR national coordinator Armando Acosta, member of the party Central Committee, has made this statement at a Havana meeting with personnel responsible for vigilance in the 14 provinces and Isle of Youth. The work of the People's Revolutionary Guards set up at block level in all the provinces was examined at the meeting. The CDR, Acosta said, must be a force of support for the people's government, education, public order and the revolution in every respect. He added that the first task of the CDR is intransigent defense of the revolution and maintenance of People's Guards 24 hours a day. The CDR, he emphasized, must be a force of militant support and inflexible against everything poorly done, softness and other ills. He told the provincial leaders that they play an important role in this task. [FL261224 Havana Domestic Service in Spanish 0135 GMT 26 Mar 80 FL]

NEW ART GALLERY--Armando Hart Dávalos, Politburo member and minister of culture, has inaugurated the Universal Art Gallery in Havana Province. The gallery is located in Guines and its inauguration follows on the recommendation of our Commander in Chief Fidel Castro to use the Miguel de Cervantes y Saavedra prize awarded to Cuban writer Alejo Carpentier in this type of cultural work. The famous novelist donated his prize money to the revolution. [FL261224 Havana Domestic Service in Spanish 1100 GMT 26 Mar 80 FL]

RISQUET'S TOUR OF MATANZAS--Jorge Risquet Valdes, member of the party Central Committee Secretariat, has spent 3 days touring various industrial, social, water, school and tourist works in Matanzas Province. Risquet was accompanied by Julian Rizo Alvarez, party first secretary in Matanzas Province and member of the party Central Committee, and other Matanzas party and government officials. The places visited included the ice factory in Jovellanos, a citrus complex, La Montana asphalt plant and the packing houses in Jaguey Grande. The tour also included construction projects in Colon, Varadero, Matanzas and Union de Reyes municipalities. [FL262001 Havana Domestic Service in Spanish 1908 GMT 26 Mar 80 FL]

SOLIDARITY WITH NICARAGUA--Cuban solidarity with the people of Nicaragua has been underscored in the city of Santa Clara by Comdr Omar Cabezas Lacayo, delegate of the Sandinist National Liberation Front. He was speaking at a political activity at Villa Clara University. Regarding Cuba, Cabezas Lacayo emphasized aspects and similarities of the Nicaraguan people's struggle against internal reaction and the path which the Cuban revolution had to take to reach power. [Text] [FL221351 Havana Domestic Service in Spanish 1100 GMT 22 Mar 80 FL]

CSO: 3010

LEGISLATORS PESSIMISTIC ON FUTURE OF ROLDOS PARTY

Quito EL COMERCIO in Spanish 14 Mar 80 pp 1, 15

[Text] Without denying the existing right to form political movements, several legislators rejected, in one way or another, the announced organization of a political movement backing the government's action.

They were of the opinion that the government's intention lacked a political future, and had no chance of becoming a solution for the national problems; and, on the other hand, they noted a weakness in the rank and file which elected President Jaime Roldos. Furthermore, they considered it civically inconsistent with the aforementioned government party, the CFP [Concentration of Popular Forces], and as evidence that the individuals heading the regime are not men of principle, or of party.

The Right

The conservative legislator, Pablo Davalos, remarked: "I do not consider this position proper. What need is there for a government which resulted, or came into being with the backing of over a million votes to talk about a political movement? I would judge, rather, that the acceptance on the part of the political minister for the establishment of a movement of this type indicates that the government has been weakened among the rank and file which elected him president of the republic. Once he was in power, based on the political record of the number of voters who elected him, he had to consolidate his political administration as president of the republic, but I do not believe that, as president of the republic, he should agree to this political movement."

Popular Democracy Party

The Popular Democracy Party legislator, Dr Wilfrido Lucero, said: "The citizens of this country are free to form whatever political movements they deem feasible for a democratic existence. We have formed the Popular Democracy Party, which is a new, young party that has, fortunately, won the support of a large sector of the Ecuadorean people; because they observe

in its underlying principles the solutions which this country requires at present. The other citizens who have not found a political pigeonhole may find one, and form whatever movements they desire." He stressed: "However, in this country one of the most difficult tasks is precisely that of forming and setting up a political party."

The UDP [Popular Democratic Union]

UDP legislator and engineer Pedro Caicedo commented: "I do not consider it the solution for the various problems that exist in the country, because there are more than 15 or 16 parties, and none of them represents the interests of the popular sectors. They have all become discredited, and another party based on the interests of the ruling classes in this country will end up in the same situation."

He emphasized: "We think that the only solution is the Broad Leftist Front, the unity of all the democratic and progressive sectors in this nation."

The PNR [Nationalist Revolutionary Party]

The chairman of the Investigation Committee and legislator from the Nationalist Revolutionary Party, Jaime Damerval, noted: "It seems civically inconsistent to me, because when one belongs to a political party, he should find the solutions to the differences within the political party to which he belongs. But if we are going to found a new political party for every difference, that is not consistent with the political party."

He added: "The political parties should have genuine popular roots; they should not come into existence as a result of surmountable circumstances in the party itself. And they should be formed and comprised on the basis of an emotion or an idea, not the accumulation of signatures of public employees. Such a party, an official party, would cater to the public employees; in other words, it would be a party that would cater to whatever the economic interests of public employees were. A political party should be impartial." Damerval declared: "The members of a political party must be impartial, and that impartiality exists among the people as a whole."

The ID [Democratic Left]

Legislator Manuel Cordova said: "The Democratic Left is chiefly concerned with bolstering its organic structure and seeking rapprochement among the popular rank and file, aimed at the impetus which the party must actually possess in search of social justice. Therefore, the Democratic Left is striving internally on behalf of what ID could project in the country."

He added: "I do not believe that this type of movement, which comes into being out of mere circumstance and not on ideological grounds, and with a philosophical essence, has any future."

He remarked: "I think that the political parties should be based on a clear-cut doctrinal position, and not on the force of circumstances."

The MPD [Popular Democratic Movement]

The representative of the Popular Democratic Movement, Jaime Hurtado, said that the intention of forming a political movement backing the government shows that those who are heading this government are not men of principles, nor of party.

The leftist legislator stressed that only personal motives prompt the attempt to create political movements which back positions that are not in keeping with the principles and interests of the nation, but rather those of groups and sectors.

He cited the presence of confusion when it is claimed that the CFP is a government party, that President Roldos is affiliated with that party, and that there is an attempt to organize a political movement in support of the government's action.

He commented: "All this goes to show that the MPD is the only alternative."

The CFP Movement

With regard to the advent of a new party, the chairman of the Agrarian Committee, attorney Fausto Vallejo, said: "We must remember that Holy Week is approaching and, with Holy Week, the fanesca; and there is no doubt that a succulent political fanesca will be prepared, with a combination of several political sectors. We Ecuadoreans have an obligation to defend at all costs the democracy which has cost us so much. The Popular Democracy Party is unquestionably intent on forming this new party, and they are so clever about changing titles: First they called themselves progressive conservatives and Christian democrats; and then members of the CFP movement. Now they are looking for another name. It appears to be a hobby, changing the name of their political party." He stressed: "We think that it is a joke that is being played on the Ecuadorean people; and we members of the CFP movement must react in an angry manner."

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SELECTIVE LIST OF JPRS SERIAL REPORTS

WORLDWIDE SERIAL REPORTS

WORLDWIDE REPORT: Environmental Quality
WORLDWIDE REPORT: Epidemiology
WORLDWIDE REPORT: Law of the Sea
WORLDWIDE REPORT: Nuclear Development and Proliferation
WORLDWIDE REPORT: Telecommunications Policy, Research and Development

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